

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6203

BILL NUMBER: HB 1267

NOTE PREPARED: Jan 10, 2010

BILL AMENDED:

SUBJECT: Disposal of Animal Carcasses.

FIRST AUTHOR: Rep. Cheatham

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the State Board of Animal Health (Board) to approve standards for each of the permissible methods for disposal of the body of a dead animal. The bill prohibits disposal activities within 500 feet of a body of water or in a flood plain or floodway.

The bill requires the development by a person who owns or cares for animals in the ordinary course of business of a disposal plan for each of the permissible methods of disposal and of an emergency disposal plan, and requires submission of the plans to: (1) the Board; and (2) the Department of Environmental Management (IDEM) if the person applies for approval of the construction or expansion of a confined feeding operation. It provides that a new business that is required to submit plans to the Board must submit the plans before beginning operations.

The bill also requires the Board to impose a penalty for violation of the animal disposal restrictions.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Board of Animal Health:* The bill requires the Board of Animal Health to approve specific standards for the disposal of dead animals and to require that persons who in the regular course of business dispose of dead animals develop and submit plans to the Board. The bill also requires the development of a detailed emergency plan for the disposal of the bodies of animals in the event that large numbers of animals would die. Development of rules or the amendment of existing rules is an activity that can be accomplished within the existing resources of the Board.

The bill does not appear to limit the planning requirements to a defined size of livestock producer. The

USDA Census of Agriculture numbers indicates that there are approximately 61,000 farms in Indiana. The Indiana Department of Agriculture indicates that approximately one-third, or about 20,300 farms, may be livestock operations. If the planning requirements apply only to confined feeding operations, the number of required plan documents would be more limited. The bill would require that persons subject to the disposal planning requirements, submit the plans to the Board. The bill does not specify that the Board must review or approve the plans.

IDEM Requirements: The bill requires that applications for approval of the construction or expansion of confined feeding operations must include a copy of any plan the applicant is required to maintain for the disposal of dead animals. This requirement is supplemental to other specific information that is required as part of the application process for proposed CFOs and should be able to be accomplished within the existing level of resources available to the agency.

Explanation of State Revenues: The bill requires the Board to impose a penalty of not more than \$25,000 for each day of the violation of the statute or the associated rules, plus payment to the Board for the cost incurred for the direct prosecution for the violation. Penalties and costs may be recovered in a civil action. Currently, the Board begins recovery of penalties and costs as an administrative action. Penalties and costs recovered are returned to the General Fund. The Board reports that enforcement actions are not frequent. Any revenues generated by enforcement activities would depend on individual circumstances and would likely be small.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Board of Animal Health; IDEM.

Local Agencies Affected:

Information Sources: Board of Animal Health.

Fiscal Analyst: Kathy Norris, 317-234-1360.